

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

W-20475A

WATCO, INC.

PO BOX 1270

SHOW LOW, AZ 85902-1270

W

RECEIVED

MAR 28 2008

ARIZONA CORP COMMISSION
Director Utilities

ANNUAL REPORT

FOR YEAR ENDING

12	31	2007
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FOR COMMISSION USE

ANN 04

07

PROCESSED BY:

3-31-08

SCANNED

COMPANY INFORMATION

Company Name (Business Name) WATCO, Inc.

Mailing Address PO BOX 1270
(Street)

SHOW LOW

(City)

AZ

(State)

85902-1270

(Zip)

(928) 537-8739

Telephone No. (Include Area Code)

(928) 537-1245

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Email Address watercos@gmail.com

Local Office Mailing Address 340 N 9TH STREET, STE. A
(Street)

SHOW LOW

(City)

AZ

(State)

85901

(Zip)

(928) 537-8739

Local Office Telephone No. (Include Area Code)

(928) 537-1245

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Email Address watercos@gmail.com

MANAGEMENT INFORMATION

Management Contact: MARK GRAPP PRESIDENT
(Name) (Title)

PO BOX 1270

(Street)

SHOW LOW

(City)

AZ

(State)

85902

(Zip)

(928) 537-8739

Telephone No. (Include Area Code)

(928) 537-1245

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Email Address watercos@gmail.com

On Site Manager: SAME AS ABOVE

SAME AS ABOVE

(Street)

(City)

(State)

(Zip)

SAME AS ABOVE

Telephone No. (Include Area Code)

SAME AS ABOVE
Fax No. (Include Area Code)

Cell No. (Include Area Code)

Email Address SAME AS ABOVE

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: N/A
(Name)

N/A
(Street) (City) (State) (Zip)

N/A
Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Attorney: N/A
(Name)

N/A
(Street) (City) (State) (Zip)

N/A
Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Email Address N/A

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

- | | |
|---|---|
| <input type="checkbox"/> Sole Proprietor (S) | <input type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P) | <input checked="" type="checkbox"/> Subchapter S Corporation (Z) |
| <input type="checkbox"/> Bankruptcy (B) | <input type="checkbox"/> Association/Co-op (A) |
| <input type="checkbox"/> Receivership (R) | <input type="checkbox"/> Limited Liability Company |
| <input type="checkbox"/> Other (Describe) _____ | |

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- | | | |
|--|-----------------------------------|-----------------------------------|
| <input type="checkbox"/> APACHE | <input type="checkbox"/> COCHISE | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA | <input type="checkbox"/> GRAHAM | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ | <input type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE |
| <input checked="" type="checkbox"/> NAVAJO | <input type="checkbox"/> PIMA | <input type="checkbox"/> PINAL |
| <input type="checkbox"/> SANTA CRUZ | <input type="checkbox"/> YAVAPAI | <input type="checkbox"/> YUMA |
| <input type="checkbox"/> STATEWIDE | | |

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	1,542	0	1,542
302	Franchises	7	0	7
303	Land and Land Rights	27,094	0	27,094
304	Structures and Improvements	9,135	7,163	1,972
307	Wells and Springs	19,361	19,361	0
311	Pumping Equipment	13,423	13,243	0
320	Water Treatment Equipment	0	0	0
330	Distribution Reservoirs and Standpipes	59,016	36,839	22,177
331	Transmission and Distribution Mains	380,540	319,581	60,959
333	Services	69,192	50,298	18,894
334	Meters and Meter Installations	25,560	20,482	5,078
335	Hydrants	0	0	0
336	Backflow Prevention Devices	0	0	0
339	Other Plant and Misc. Equipment	0	0	0
340	Office Furniture and Equipment	0	0	0
341	Transportation Equipment	0	0	0
343	Tools, Shop and Garage Equipment	0	0	0
344	Laboratory Equipment	0	0	0
345	Power Operated Equipment	0	0	0
346	Communication Equipment	0	0	0
347	Miscellaneous Equipment	0	0	0
348	Other Tangible Plant	0	0	0
	TOTALS	604,870	466,967	137,903

This amount goes on the Balance Sheet Acct. No. 108

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	1,542	0	0
302	Franchises	7	0	0
303	Land and Land Rights	27,094	0	0
304	Structures and Improvements	9,135	3.33	304
307	Wells and Springs	19,361	3.33	645
311	Pumping Equipment	13,423	12.5	1,678
320	Water Treatment Equipment	0	0	0
330	Distribution Reservoirs and Standpipes	59,016	5.0	2,951
331	Transmission and Distribution Mains	380,540	2.0	7,611
333	Services	69,192	3.33	2,304
334	Meters and Meter Installations	25,560	8.33	2,129
335	Hydrants	0	0	0
336	Backflow Prevention Devices	0	0	0
339	Other Plant and Misc. Equipment	0	0	0
340	Office Furniture and Equipment	0	0	0
341	Transportation Equipment	0	0	0
343	Tools, Shop and Garage Equipment	0	0	0
344	Laboratory Equipment	0	0	0
345	Power Operated Equipment	0	0	0
346	Communication Equipment	0	0	0
347	Miscellaneous Equipment	0	0	0
348	Other Tangible Plant	0	0	0
	TOTALS	604,870		17,622

This amount goes on the Comparative Statement of Income and Expense _____
Acct. No. 403.

BALANCE SHEET

Acct No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$0	\$0
134	Working Funds	342	(381)
135	Temporary Cash Investments	0	0
141	Customer Accounts Receivable	6,473	6,523
146	Notes/Receivables from Associated Companies	0	0
151	Plant Material and Supplies	0	0
162	Prepayments	0	0
174	Miscellaneous Current and Accrued Assets	0	0
	TOTAL CURRENT AND ACCRUED ASSETS	\$6,815	\$6,142
	FIXED ASSETS		
101	Utility Plant in Service	\$603,141	\$604,870
103	Property Held for Future Use	0	0
105	Construction Work in Progress	0	0
108	Accumulated Depreciation – Utility Plant	449,990	466,967
121	Non-Utility Property	0	0
122	Accumulated Depreciation – Non Utility	0	0
	TOTAL FIXED ASSETS	\$153,151	\$137,903
	TOTAL ASSETS	\$159,966	\$144,045

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITES		
231	Accounts Payable	\$0	\$0
232	Notes Payable (Current Portion)	0	0
234	Notes/Accounts Payable to Associated Companies	0	0
235	Customer Deposits	23,954	27,139
236	Accrued Taxes	0	0
237	Accrued Interest	0	0
241	Miscellaneous Current and Accrued Liabilities	0	0
	TOTAL CURRENT LIABILITIES	\$23,954	\$27,139
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$0	\$0
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$0	\$0
252	Advances in Aid of Construction	8,752	8,739
255	Accumulated Deferred Investment Tax Credits	0	0
271	Contributions in Aid of Construction	0	0
272	Less: Amortization of Contributions	0	0
281	Accumulated Deferred Income Tax	0	0
	TOTAL DEFERRED CREDITS	\$8,752	\$8,739
	TOTAL LIABILITIES	\$32,706	\$35,878
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$0	\$0
211	Paid in Capital in Excess of Par Value	0	0
215	Retained Earnings	127,177	108,167
218	Proprietary Capital (Sole Props and Partnerships)	0	0
	TOTAL CAPITAL	\$127,260	\$108,167
	TOTAL LIABILITIES AND CAPITAL	\$159,966	\$144,045

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$102,026	\$101,501
460	Unmetered Water Revenue	0	0
474	Other Water Revenues	950	750
	TOTAL REVENUES	\$102,976	\$102,251
	OPERATING EXPENSES		
601	Salaries and Wages	\$58,622	\$63,415
610	Purchased Water	0	0
615	Purchased Power	7,845	10,176
618	Chemicals	0	0
620	Repairs and Maintenance	394	1,236
621	Office Supplies and Expense	12,720	5,937
630	Outside Services	2,068	2,888
635	Water Testing	294	2,201
641	Rents	7,064	6,036
650	Transportation Expenses	2,752	2,980
657	Insurance – General Liability	1,487	2,225
659	Insurance - Health and Life	0	0
666	Regulatory Commission Expense – Rate Case	0	0
675	Miscellaneous Expense	0	660
403	Depreciation Expense	17,530	17,622
408	Taxes Other Than Income	6,117	6,263
408.11	Property Taxes	3,234	3,268
409	Income Tax	0	0
	TOTAL OPERATING EXPENSES	\$120,127	\$124,367
	OPERATING INCOME/(LOSS)	\$ (17,151)	\$ (22,116)
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$0	\$0
421	Non-Utility Income	0	0
426	Miscellaneous Non-Utility Expenses	0	0
427	Interest Expense	0	(267)
	TOTAL OTHER INCOME/(EXPENSE)	\$0	\$0
	NET INCOME/(LOSS)	\$(17,151)	\$(22,383)

COMPANY NAME **WATCO, INC.**

SUPPLEMENTAL FINANCIAL DATA
Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
	N/A	N/A	N/A	N/A
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate	%	%	%	%
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End \$ 3,616

Meter Deposits Refunded During the Test Year \$912

COMPANY NAME	WATCO, INC.
Name of System:	WATCO, INC. ADEQ Public Water System Number:09027/09049

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-603156	10	58	538	8	2	1964
55-506606	5	31	440	6	2	1983

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
N/A		

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
2	7	1	

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
100,000	1	10,000	1
25,000	1	3,000	1

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME WATCO, INC.	
Name of System: WATCO, INC.	ADEQ Public Water System Number: 09027/09049

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS		
Size (in inches)	Material	Length (in feet)
2		
3		
4	AC & PVC	33,872
5	PVC	9,206
6		
8		
10		
12		

CUSTOMER METERS	
Size (in inches)	Quantity
5/8 X 3/4	
3/4	333
1	
1 1/2	
2	1
Comp. 3	
Turbo 3	
Comp. 4	
Tubo 4	
Comp. 6	
Tubo 6	

For the following three items, list the utility owned assets in each category for each system.

TREATMENT EQUIPMENT:

_____ N/A _____

STRUCTURES: _____

12'x30'BUILDING _____

20'x20'BUILDING _____

OTHER: _____

_____ N/A _____

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME: WATC0, INC.	
Name of System: Silver Lake Estates	ADEQ Public Water System Number: 09027

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2007

MONTH/YEAR	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	270	978,180	1,191,300	0
FEBRUARY	271	1,079,930	1,223,400	0
MARCH	270	979,410	1,074,300	0
APRIL	271	1,194,560	1,304,500	0
MAY	274	1,309,770	1,342,800	0
JUNE	271	2,698,940	2,818,900	0
JULY	270	1,645,680	1,644,000	0
AUGUST	275	1,199,710	1,282,600	0
SEPTEMBER	280	1,826,660	2,057,200	0
OCTOBER	279	1,093,790	1,111,200	0
NOVEMBER	280	1,445,550	1,737,100	0
DECEMBER	280	1,086,970	1,364,700	0
TOTALS →		16,539,160	18,152,000	0

What is the level of arsenic for each well on your system? _____.001 _____ mg/l
(If more than one well, please list each separately.)

If system has fire hydrants, what is the fire flow requirement? _N/A_ GPM for _N/A_ hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?
☐ Yes ☒ No

Is the Water Utility located in an ADWR Active Management Area (AMA)?
☐ Yes ☒ No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?
☐ Yes ☒ No

If yes, provide the GPCPD amount: _____ N/A _____

Note: If you are filing for more than one system, please provide separate data sheets for each system

COMPANY NAME: WATC0, INC.	
Name of System: Bourdon Ranch	ADEQ Public Water System Number: 09049

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2007

MONTH/YEAR	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	30	137,111	147,400	0
FEBRUARY	30	126,090	145,700	0
MARCH	30	158,110	175,200	0
APRIL	30	216,330	235,100	0
MAY	30	178,630	195,400	0
JUNE	30	420,080	457,300	0
JULY	30	246,680	391,700	0
AUGUST	28	147,270	159,200	0
SEPTEMBER	29	336,710	322,600	0
OCTOBER	29	169,350	179,800	0
NOVEMBER	29	292,000	305,500	0
DECEMBER	29	150,410	155,400	0
TOTALS →		2,578,770	2,874,300	0

What is the level of arsenic for each well on your system? _____.002 _____ mg/l
(If more than one well, please list each separately.)

If system has fire hydrants, what is the fire flow requirement? _N/A_ GPM for _N/A_ hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?
☐ Yes ☒ No

Is the Water Utility located in an ADWR Active Management Area (AMA)?
☐ Yes ☒ No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?
☐ Yes ☒ No

If yes, provide the GPCPD amount: _____ N/A _____

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME: WATCO, INC. YEAR ENDING 12/31/2007

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2007 was: \$ 3,268.27

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

**VERIFICATION
AND
SWORN STATEMENT**
Taxes

RECEIVED

MAR 28 2008

ARIZONA CORP COMMISSION
Director Utilities

VERIFICATION

STATE OF ARIZONA
I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME)
NAVAJO
NAME (OWNER OR OFFICIAL) TITLE
MARK GRAPP, PRESIDENT/GENERAL MANAGER
COMPANY NAME
WATCO, INC.

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2007

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.



SIGNATURE OF OWNER OR OFFICIAL

(928) 537-8739

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

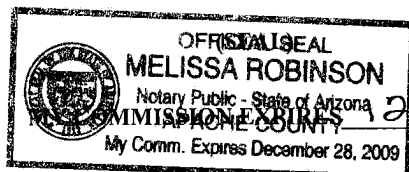
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

19th

DAY OF

COUNTY NAME
Navajo
MONTH
March
2008





SIGNATURE OF NOTARY PUBLIC

COMPANY NAME WATCO, INC. YEAR ENDING 12/31/2007

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported 0
Estimated or Actual Federal Tax Liability 0

State Taxable Income Reported 0
Estimated or Actual State Tax Liability 0

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances 0
Amount of Gross-Up Tax Collected 0
Total Grossed-Up Contributions/Advances 0

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.



SIGNATURE

3-19-08

DATE

MARK E. GRAPP

PRINTED NAME

PRESIDENT/GENERAL MANAGER

TITLE

RECEIVED

MAR 26 2008

AZ CORP COMM
Director Utilities

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) NAVAJO
NAME (OWNER OR OFFICIAL) TITLE MARK E. GRAPP President/General Manager
COMPANY NAME WATCO, INC.

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2007

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.


SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2007 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)
\$ <u>102,122</u>

**(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 6,263
IN SALES TAXES BILLED, OR COLLECTED)**

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

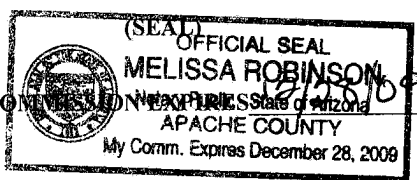

SIGNATURE OF OWNER OR OFFICIAL
<u>928-537-8739</u>
TELEPHONE NUMBER

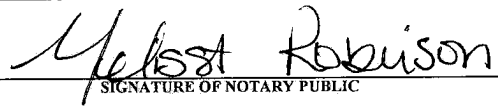
SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 19th DAY OF

COUNTY NAME <u>Navajo</u>	
MONTH <u>March</u>	<u>2008</u>




SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
Intrastate Revenues Only**

RECEIVED

MAR 26 2008

AZ CORP COMM
Director Utilities

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) NAJAVO	
NAME (OWNER OR OFFICIAL) MARK E. GRAPP	TITLE President/General Manager
COMPANY NAME WATCO, INC.	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2007

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2007 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 102,122

THE AMOUNT IN BOX AT LEFT

INCLUDES \$ **6,263**

IN SALES TAXES BILLED, OR COLLECTED)

***RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.**



SIGNATURE OF OWNER OR OFFICIAL

(928) 537-8739

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

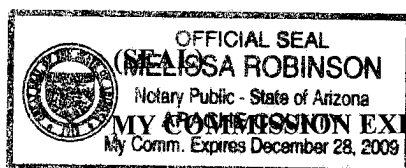
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

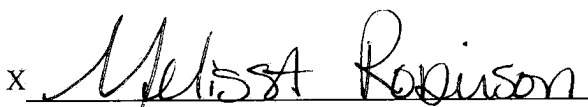
19th

DAY OF

NOTARY PUBLIC NAME Melissa Robinson	
COUNTY NAME Navajo	
MONTH March	2008



MY COMMISSION EXPIRES 12/28/09

X 
SIGNATURE OF NOTARY PUBLIC

AND YOUR TAXES WILL REVERT TO AN UNPAID STATUS.
THERE WILL BE A CHARGE FOR EACH RETURNED CHECK

PARCEL NUMBER
PLEASE INCLUDE YOUR
ON YOUR CHECK.

Manny Hernandez
Navajo County Treasurer
PO Box 668
Holbrook AZ 86025-0668

Make your check payable to and mail to:

To pay the 1st half installment, send the 1st half coupon with your payment postmarked no later than Nov. 1, 2006. To pay the 2nd half installment, send the 2nd half coupon with your payment postmarked no later than May 1, 2007. To pay taxes for the full year if the entire amount billed exceeds \$100, send the 1st half coupon with your payment postmarked no later than Dec. 31, 2006. Delinquent interest will be waived.

PAYMENT INSTRUCTIONS

TOTALS 2,090.76 2,027.26

TAX NOTICE CALENDAR YEAR THIS IS A

Manny Hernandez
Navajo County Treasurer
PO Box 668
Holbrook AZ 86025-0668

This is the only notice you will receive.

TOTAL VALUE OF OPERATING PROPERTY
204-27-028 2,850

LEGAL DESCRIPTION:

SITUS ADDRESS:

0080296

PARCEL #		926-81-008 0		ASSESSMENT		VALUE IN DOLLARS		ASSUMPT		ASSESSED VALUE		EXEMPTIONS		TAX RATE		NET ASSESSED		LESS STATE AID TO EDUCATION		PRIMARY PROPERTY TAX		2006 TAX SUMMARY	
						1008		5.9623		1.6821										PRIMARY PROPERTY TAX		1,694.50	
																				TOTAL TAX DUE FOR 2006		2,090.76	
																				SPECIAL DISTRICT TAX		0.00	
																				SECONDARY PROPERTY TAX		396.26	
																				NET PRIMARY PROPERTY TAX		1,694.50	
																				0.00			

2006 FIRST HALF PAYMENT COUPON

Due October 1, 2006

SILVER WELL SERVICE CORP DBA WATCO

926-81-008 0 0080296

Delinquency Date First Half Payment

Penalty for late payment is 16% per year prorated monthly as of the 1st day of the month for payments postmarked after **5:00 P.M. November 1, 2006** (ARS 42-18052 and ARS 42-18053).

Any total property tax of \$100 or less must be paid in full using the first payment coupon, no later than **November 1, 2006 at 5:00 p.m.**

To pay taxes for the full year, send the 1st half coupon with your payment postmarked no later than **Dec. 31, 2006**. Delinquent interest will be waived.

DETACH AND RETURN WITH PAYMENT

Make check payable to:

Manny Hernandez

Navajo County Treasurer

PO Box 668

Holbrook AZ 86025-0668

Payment in U.S. FUNDS ONLY

TO PAY 1ST HALF ONLY

PAY

1,045.38

TO PAY FULL YEAR TAX

PAY

2,090.76

If your mortgage company makes your property tax payments consider this notice as a courtesy copy for your records only.

|||||

Manny Hernandez

Navajo County Treasurer

PO Box 668

Holbrook AZ 86025-0668

09926810080000000104538



**PLEASE CHECK
YOUR RECORDS**

**DELINQUENT
TAXES DUE**

2006 9268100800 1 000000209076000000104538

WATCO, INC.
Navajo County Treasurer

926-81-008 0 0080296 - SLE

7/5/2007

2136
500.00

131.2 Checking 926-81-008 0 / 0080296

500.00

WATCO, INC.

WWW.LANDOWNERS.COM TOLL FREE # 848-2644

Navajo County Treasurer

926-81-008 0 0080296 - SLE

7/5/2007

2136
500.00

131.2 Checking 926-81-008 0 / 0080296

500.00

WATCO, INC.
Navajo County Treasurer

926-81-008 8 / 0080296 SLE

7/27/2007

2157
500.00

WATCO, INC.
Navajo County Treasurer

926-81-008 8 / 0080296 SLE

7/27/2007

2157
500.00

131.2 Checking 926-81-008 8 / 0080296

500.00

WATCO, INC.
Navajo County Treasurer

926-81-008 / TAX YEAR: 2006 / ROLL: 008 - SLE 8/11/2007

2171
500.00

131.2 Checking 926-81-008 / TAX YEAR: 2006 / ROLL: 008

500.00

WATCO, INC.

Navajo County Treasurer

WWW.SHOPPINGCENTERS.COM TOLL FREE # 888.336.6661

926-81-008 / TAX YEAR: 2006 / ROLL: 008 - SLE 8/11/2007

2171
500.00

131.2 Checking 926-81-008 / TAX YEAR: 2006 / ROLL: 008

500.00

WATCO, INC.
Navajo County Treasurer

926-81-008 / 80296

8/21/2007

2177
250.00

131.2 Checking 926-81-008 / 80296

WATCO, INC.
Navajo County Treasurer

926-81-008 / 80296

8/21/2007

2177
250.00

131.2 Checking 926-81-008 / 80296

250.00

926-81-008 / 80296 BALANCE

2182
524.24

926-81-008 / 80296 BALANCE

524.24

WWW.SHOPFORCHECKS.COM TOLL FREE # 888-356-6561

926-81-008 / 80296 BALANCE

2182
524.24

926-81-008 / 80296 BALANCE

524.24

WATCO, INC.
Navajo County Treasurer

1-800-255-0336

926-81-008 / 80296 BALANCE

9/12/2007

2188

17.45

131.2 Checking

926-81-008 / 80296 BALANCE

17.45

WATCO, INC.

WWW.SHOPFORCHECKS.COM TOLL FREE # 888-356-6661

Navajo County Treasurer

926-81-008 / 80296 BALANCE

9/12/2007

2188

17.45

131.2 Checking

926-81-008 / 80296 BALANCE

17.45

PLEASE INCLUDE YOUR
PARCEL NUMBER
ON YOUR CHECK.

THERE WILL BE A CHARGE FOR EACH RETURNED CHECK
AND YOUR TAXES WILL REVERT TO AN UNPAID STATUS.

DETACH AND RETURN WITH PAYMENT

Payment in U.S. FUNDS ONLY

Make check payable to:
Manny Hernandez
Navajo County Treasurer
PO Box 668
Holbrook AZ 86025-0668

2006 FIRST HALF PAYMENT COUPON

Due October 1, 2006

SILVER WELL SERVICE CORP DBA WATCO

926-81-005 1 0080295

Delinquency Date First Half Payment

Penalty for late payment is 16% per year prorated monthly as of the 1st day of the month for payments postmarked after **5:00 P.M. November 1, 2006** (ARS 42-18052 and ARS 42-18053).

Any total property tax of \$1.00 or less must be paid in full using the first payment coupon, no later than **November 1, 2006 at 5:00 p.m.**

To pay taxes for the full year, send the 1st half coupon with your payment postmarked no later than **Dec. 31, 2006**. Delinquent interest will be waived.

If your mortgage company makes your property tax payments consider this notice as a courtesy copy for your records only.

TO PAY 1ST HALF ONLY	PAY	335.00
TO PAY FULL YEAR TAX	PAY	670.00

099268100500100000033500



**PLEASE CHECK
YOUR RECORDS**

**DELINQUENT
TAXES DUE**

2006 9268100501 1 000000067000000000033500

PROPERTY TAXES ARE NOT TO BE PAID BY CHECK OR MONEY ORDER - PAY BY CASH OR DEBIT CARD

2006 FIRST HALF PAYMENT COUPON

Due October 1, 2006
SILVER WELL SERVICE CORP DBA WATCO
926-81-005 1 0080295

Delinquency Date First Half Payment
Penalty for late payment is 16% per year prorated
monthly as of the 1st day of the month for
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To pay taxes for the full year, send the 1st half coupon
with your payment postmarked no later than **Dec. 31,**
2006. Delinquent interest will be waived.

DETACH AND RETURN WITH PAYMENT

Make check payable to:
Manny Hernandez
Navajo County Treasurer
PO Box 668
Holbrook AZ 86025-0668

Payment in U.S. FUNDS ONLY

TO PAY 1ST HALF ONLY	PAY	335.00
TO PAY FULL YEAR TAX	PAY	670.00

If your mortgage company makes your property
tax payments consider this notice as a courtesy
copy for your records only.



099268100500100000033500



Manny Hernandez
Navajo County Treasurer
PO Box 668
Holbrook AZ 86025-0668

PLEASE CHECK
YOUR RECORDS

DELINQUENT
TAXES DUE

2006 9268100501 1 00000006700000000033500

WATCO, INC.
Navajo County Treasurer

926-81-005 1 / 0080295 - BR

7/5/2007

2137
250.00

131.2 Checking 926-81-005 1 / 0080295

250.00

WATCO, INC.
Navajo County Treasurer

926-81-005 1 / 0080295 - BR

7/5/2007

2137
250.00

131.2 Checking 926-81-005 1 / 0080295

250.00

WATCO, INC.

Navajo County Treasurer

926-81-005 1 / 0080295 - BR

7/27/2007

2156

250.00

131.2 Checking

926-81-005 1 / 0080295

250.00

WATCO, INC.

Navajo County Treasurer

926-81-005 1 / 0080295 - BR

7/27/2007

2156

250.00

131.2 Checking

926-81-005 1 / 0080295

250.00

WATCO, INC.
Navajo County Treasurer

926-81-005 1 / 0080295 - BR

8/11/2007

2170
250.00

131.2 Checking

926-81-005 1 / 0080295

250.00

WATCO, INC.

WWW.WATCOINC.COM TOLL FREE 8 888 336 8881

Navajo County Treasurer

926-81-005 1 / 0080295 - BR

8/11/2007

2170
250.00

131.2 Checking

926-81-005 1 / 0080295

250.00

WATCO, INC.

WWW.WATCOFINANCIAL.COM TOLL FREE # 800-866-5591

Navajo County Treasurer

926-81-005 1 / 0080295 - BR
FINAL PAYMENT

8/21/2007

2172

226.58

131.2 Checking

926-81-005 1 / 0080295

226.58